



Comptroller General
of the United States
Washington, D.C. 20548

Decision

Matter of: Walmac, Inc.
File: B-244741
Date: October 22, 1991

David L. Waldron for the protester.
Millard F. Pippin, Department of the Air Force, for the agency.
Aldo A. Benejam, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging contracting agency's decision to conduct competitive procurement instead of exercising incumbent contractor's option is dismissed since decision whether to exercise option is a matter of contract administration outside the General Accounting Office's bid protest function.
2. Protester's mere speculation regarding agency's future evaluation of its proposal or possible nonresponsibility determination does not provide basis for protest.

DECISION

Walmac, Inc. protests the decision by the Department of the Air Force to issue request for proposals (RFP) No. F65501-91-R-0193¹ for the maintenance of 1,825 military family housing units at Elmendorf Air Force Base (AFB), Alaska, rather than exercising the next option in the protester's current contract for the services.

We dismiss the protest because it fails to state a valid basis of protest. See 4 C.F.R. § 21.3(m) (1991).

On April 24, 1990, the Air Force awarded contract No. F65501-90-D0010 to Walmac for the maintenance of 2,009 units located at Elmendorf AFB. That contract was for a basic period of 5 months, with up to four 1-year options. The government subsequently exercised the first option under the contract to extend performance through September 30, 1991.

¹Amendment No. 0001 to the RFP changed the original solicitation number from F65501-92-R-0014 to F65501-91-R-0193.

Rather than exercising the second option of the contract, the agency decided to conduct a competitive procurement and issued the RFP which the protester now challenges. Walmac alleges that the Air Force's decision to not exercise the next option in Walmac's contract was made in bad faith for the purpose of replacing Walmac as the incumbent.² Walmac argues that in the absence of extensive or substantive changes to the agency's needs, the Air Force's decision to not exercise the next option in Walmac's contract is not justified.

A contracting agency is not required to exercise an option under any circumstances. See Federal Acquisition Regulation §§ 17.201, 17.207. We will not consider an incumbent contractor's allegation that an option should be exercised under an existing contract, since the decision whether to exercise the option is a matter of contract administration outside the scope of our bid protest function. Air Mechanical, Inc., B-216097, Aug. 29, 1984, 84-2 CPD ¶ 240. We will not consider the matter even where the protester alleges that the agency's decision to not exercise an option in its contract was made in bad faith. See Xperts, Inc., B-244761.2, Sept. 6, 1991, 91-2 CPD ¶ ____ (dismissal of protest affirmed even though Xperts characterized its protest as "based upon unfair practices, persecution and discrimination"); The Big Picture Co., Inc., B-220859, Oct. 31, 1985, 85-2 CPD ¶ 512 (protest dismissed even though protester alleged that agency's decision to not exercise an option was retaliatory).

Walmac's reliance on our decision in Mine Safety Appliances Co., 69 Comp. Gen. 562 (1990), 90-2 CPD ¶ 11, to argue that we consider its allegations, is misplaced. In that case, we found inapplicable the rule that we will generally not review protests of agency refusal to exercise a contract option, because the agency's procurement was structured to permit the agency to choose a successful offeror through the exercise of an option under parallel development contracts. We found that this constituted a form of limited competition, properly subject to review by our Office. Such is not the case here. Walmac cites no authority in support of its position that our Office reviews an agency's decision

² In its initial protest, Walmac also objected to the agency's use of negotiated procedures to solicit the requirement. In responding to the agency report, the protester has offered nothing to refute the agency's explanation for using negotiated procedures. Accordingly, we deem the protester to have abandoned this protest ground. See GTE Gov't Syst. Corp., B-236739, Nov. 20, 1989, 89-2 CPD ¶ 481.

to conduct a competitive procurement in lieu of exercising an option in an incumbent's existing contract.

Walmac also implies that the firm's proposal will not be evaluated in accordance with the RFP's criteria, because it will be evaluated by some of the same agency employees who have allegedly misadministered Walmac's current contract. Walmac alleges that the firm will not be selected for award regardless of the merits of its proposal; that the Air Force will deny Walmac the opportunity to "file a protest"; and that the Air Force will preclude Walmac from seeking certificate of competency (COC) review by the Small Business Administration (SBA). These allegations are premature and without any basis. Since the Air Force has not yet made a determination about the technical merits of Walmac's proposal nor selected a successful offeror, and since the agency has not made a determination concerning the protester's capability to perform the contract, Walmac's allegations constitute mere speculation on its part. See Midwest CATV, B-233105.3, Apr. 4, 1989, 89-1 CPD ¶ 351. To the extent that Walmac argues that the firm will be improperly precluded from seeking COC review by SBA or prevented from "filing a protest," Walmac does not explain, and we fail to see any basis for its assertions.

The protest is dismissed.



Andrew T. Pogany
Acting Assistant General Counsel